



MEDIA CONTACT ONLY

Erica Manuel

916-825-0646

emanuel@calexpo.com

CE&SF- 172 08

NEWS RELEASE

FOR IMMEDIATE RELEASE

October 31, 2008

Cal Expo Board of Directors Votes to Extend Arena Discussions until March 2009

SACRAMENTO, CA – The California Exposition & State Fair Board of Directors today voted to extend the term of the current letter of understanding (LOU) detailing actions to be taken by Representatives of the NBA and Cal Expo for the next phase in the proposed development of a state-of-the-art arena, exposition facility and fair grounds at Cal Expo. The LOU was originally scheduled to expire on November 21, 2008 but has been extended until March 31, 2009.

The purpose of the extension is to allow sufficient time to complete an economic study of the proposed project.

Both the NBA and Cal Expo have indicated a strong commitment to identifying a site plan that can be developed and delivered without the need for new taxes. Preliminary analysis to date suggests that the economic benefits of this project to greater Sacramento and the State of California would be substantial. But more time is needed to finalize those plans before presenting them to the Cal Expo board, other stakeholders and the community-at-large.

“The previous failed arena proposals have taught us that we must be thorough in our research, and transparent in our communication to the public, but we cannot and should not be hasty,” said Norb Bartosik, Cal Expo CEO and General Manager. “We plan to do what is best for Cal Expo, the State of California and the community at large.”

Under the terms of the LOU, both parties have agreed to review the potential project and analyze any benefits or potential risks to the NBA and Cal Expo. After such time, if both parties are in agreement, they will formulate a Request for Proposal (RFP) for the development of a world class entertainment and exposition destination that will set a new standard for green commerce and sustainability.

According to a previous joint statement from Former California Governor Pete Wilson and NBA Commissioner David Stern on behalf of Cal Expo and the NBA:

“In addition to our bilateral negotiations, Cal Expo and the NBA have engaged in hundreds of conversations with individuals, community groups, fans, and state and local officials about how best to serve the needs of the community, fairgoers, exhibitors, basketball fans, the Kings and the NBA. Through our negotiations and these discussions, as well as extensive professional analysis, we believe a project that meets the collective

needs of all these constituents can be developed, and we are ready to move to the next phase in realizing our combined vision...

We believe our vision is exemplary of Governor Schwarzenegger's emphasis on public-private partnerships, and we are committed to pursue a project that will set an international standard for environmental innovation, conservation and sustainability, consistent with the environmental leadership emblematic of the State of California."

The LOU provides that Cal Expo and the NBA will have the opportunity to work jointly and exclusively with one another to explore this project further. Under the parameters of the board's approval, the LOU grants authority for the parties to develop and release an RFP, meet with qualified developers and work with local and state officials to address the numerous environmental, traffic and land use issues inherent in a project of this magnitude.

While the Cal Expo board's decision represents significant progress, and an ongoing commitment on behalf of both parties to explore the project, the extension of the LOU does not imply that the parties will reach a definitive agreement for the development of the proposed arena.

"We're still conducting analysis to determine if this project is financially feasible for all parties involved. As soon as we have a complete and audited economic study, we'll be able to determine if it makes sense to move forward with the development process," Bartosik said.

For more information, or to schedule interviews with Cal Expo representatives, media may contact Erica Manuel at 916-825-0646 or Emanuel@calexpo.com.

###